

EXHIBIT N

March 2006

IBO's Programmatic Review of the 2007 Preliminary Budget

*Human Resource Administration
(HRA)*

IBO

New York City
Independent Budget Office

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Introductory Note

IBO's programmatic reviews of the 2007 preliminary budgets of selected city agencies is intended to assist the public and elected officials better understand the allocation of budgetary resources to city services by presenting agency budgets in a way that is more closely aligned with the actual programs, functions, and services of major city agencies.

The current city budget presentation inhibits understanding and participation in three ways.

First, agency budgets, organized into broad *units of appropriation*, do not easily allow users to understand how much money is being spent from one year to the next on the programs and services that citizens and their elected representatives care about—programs such as job training, childhood lead-poisoning prevention, HIV/AIDS prevention and treatment, after-school programs, immigrant services, affordable housing construction, and recreation programs.

Second, budget proposals are presented in terms of Financial Plan changes, rather than in terms of year-to-year comparisons. A proposed cut, or “PEG,” of \$1 million in a program is presented without information on how much was previously projected for spending on that program in previous Financial Plans, and whether the \$1 million “cut” would leave spending lower, higher, or the same as previous years’ spending levels. This presentation often manifests itself in annual debates over “hidden cuts” and what has been “baselined” in the Financial Plan. This manner of presenting the budget makes it difficult to understand the consequences for agency programs of budgetary decisions.

Finally, it is virtually impossible to link spending decisions to program results. Although at one time the city was a trailblazer in performance reporting, the lack of linkage between performance data reported in the Mayor's Management Report and elsewhere, and clear spending information, makes it difficult for citizens, elected officials, and even agency managers to know what they are getting for their money and to evaluate alternatives. Our programmatic budget presentations integrate existing performance data from the Mayor's Management Report, Capstat, and other sources produced by the Mayor's office alongside spending figures, to provide a unified presentation of both spending and performance.

Our goal in preparing these budget reviews has been to hew as closely as possible to how the agencies themselves present their organization, programs, and services, on their official Web sites and other sources, including using the agencies' own language to describe programs in most cases. While we have sought, and in most cases received, considerable input from agencies in the preparation of the program budget reviews, our presentations are not necessarily how the Mayor's budget office or the agencies themselves would present their budgets, were they to do so in programmatic terms. Nonetheless, we think that our presentations can be instructive and point the way toward how to improve understanding of the city's budget in a way that enhances public participation in the budget process.

IBO will periodically update our program budgets. We will continue to separately issue our analysis of the Preliminary Budget, including of selected agency budgets, as we have every year as required by City Charter section 246.

We welcome your comments or questions, which you may direct to IBO at (212) 442-0632, or by e-mail to ibo@ibo.nyc.ny.us.

Human Resources Administration

MISSION

The Human Resources Administration (HRA) enhances the quality of life for all New Yorkers by providing temporary help to eligible individuals and families with social service and economic needs in order to assist them in leading independent lives. These goals are accomplished through the effective administration of a broad range of social welfare programs and services.

AGENCY DESCRIPTION

The Human Resources Administration spearheads New York City's welfare reform initiatives and serves a large group of New Yorkers through a wide range of social service programs. HRA's mission is to make work central in the lives of all able-bodied New Yorkers receiving public assistance. HRA's programs also ensure that those needy individuals who meet eligibility requirements are provided food, shelter, temporary financial assistance, medical care, counseling and other essential services.

FIVE-YEAR EXPENDITURE TRENDS BY PROGRAM AREA

Human Resources Administration					
<i>Dollars in millions</i>	2003	2004	2005	2006	2007
	Actual Expenses	Actual Expenses	Actual Expenses	Current Modified Budget	Preliminary Budget
Spending by Program Area					
Medicaid	\$3,479.3	\$3,766.0	\$4,243.0	\$3,884.6	\$4,280.1
Public Assistance	1,356.0	1,432.8	1,503.3	1,541.6	1,590.6
Employment Support	414.3	406.4	367.2	325.5	310.0
Food Support	63.8	61.0	65.2	64.7	54.3
Child Care	173.4	214.6	241.1	247.6	244.7
Home Energy Assistance	31.4	28.5	31.9	33.0	23.3
AIDS Services	177.1	193.3	185.9	180.5	190.1
Adult Protective Services	23.8	26.2	28.4	28.6	27.7
Domestic Violence	76.2	79.0	72.1	77.7	78.9
Child Support	n.a.	38.5	42.6	54.9	57.1
Central Administration	364.5	401.2	423.3	356.5	380.5
Financial Plan Savings				0.0	(1.6)
TOTAL	\$6,159.7	6,647.5	\$7,204.1	\$6,795.2	\$7,235.7
Spending by Object					
Personal Services	\$551.6	\$581.3	\$620.8	\$635.1	\$662.7
OTPS	5,608.1	6,066.3	6,583.3	6,159.9	6,573.0
Full-time Personnel*	11,411	14,725	14,270	14,427	n.a.
Capital Commitments	\$53.3	\$17.5	\$11.9	\$84.9	\$18.3
SOURCE: IBO.					
NOTES: *Full-time personnel: June 30 actual for 2002 through 2005; as of November 30 for 2006.					

Human Resource Administration**PROGRAM CHART**

Program Areas	Programs
Medicaid	
Public Assistance	Family Grants Safety Net Grants Eligibility Verification and Administration Public Assistance Non-Grant
Employment Support	Employment Programs Substance Abuse Services
Food Support	Food Stamps Emergency Food Assistance Program
Child Care	
Home Energy Assistance	
AIDS Services	
Adult Protective Services	
Domestic Violence	
Child Support	
Central Administration	

Human Resources Administration
Medicaid

PROGRAM AREA: MEDICAID

Medicaid provides public health insurance coverage for eligible low-income individuals. The Medicaid program area in HRA includes spending on eligibility determination and processing of city residents applying for benefits, providing home care services through contracted vendor agencies, and paying the city's share of payments to health care providers who treat Medicaid-eligible patients.

Medicaid <i>Dollars in thousands</i>	2005 Actual Expenses	2006 Current Modified Budget	2007 Preliminary Budget
Spending	\$4,242,989	\$3,884,613	\$4,280,145
Personal services	89,036	103,892	97,286
Other than personal services	4,153,953	3,780,721	4,182,859
Full-time Positions	2,147	2,218	n.a.
SOURCE: IBO. NOTE: *Full-time personnel: June 30 actual for 2002 through 2005; as of November 30 for 2006.			

Performance Results: No reported performance statistics.

Human Resources Administration
Public Assistance

PROGRAM AREA: PUBLIC ASSISTANCE

The Public Assistance program area includes grant payments to families through the Family Assistance program and the continuing Safety Net Assistance program for families that have reached their 60 month limit for federal assistance, grant payments to single adults and couples without minor children through the Safety Net Assistance program, eligibility determination and other administrative expenditures, and public assistance non-grant programs.

Public Assistance <i>Dollars in thousands</i>	2005 Actual Expenses	2006 Current Modified Budget	2007 Preliminary Budget
Spending	\$1,503,308	\$1,541,567	\$1,590,568
Personal services	152,662	158,672	160,098
Other than personal services	1,350,646	1,382,895	1,430,470
Full-time Positions	3,750	3,696	n.a.
Programs			
Family Grants	\$874,884	820,176	843,540
Safety Net Grants	400,994	470,746	500,296
Eligibility Verification & Admin	201,695	209,774	211,006
PA Non-Grant	25,735	40,871	35,726
SOURCE: IBO.			
NOTE: *Full-time personnel: June 30 actual for 2002 through 2005; as of November 30 for 2006.			

Performance Results: See program sections.

Human Resources Administration
Public Assistance

Program: Family Grants

The Family Grants program includes grant payments to families through the Family Assistance program and the continuing Safety Net Assistance program for families that have reached their 60 month limit for federal assistance.

Family Grants <i>Dollars in thousands</i>	2005 Actual Expenses	2006 Current Modified Budget	2007 Preliminary Budget
Spending	\$874,884	\$820,176	\$843,540
PS	0	0	0
OTPS	874,884	820,176	843,540
Full-time Positions	0	0	n.a.
SOURCES: IBO. NOTE: *Full-time personnel: June 30 actual for 2002 through 2005; as of November 30 for 2006.			

Performance Results:

Family Grants Performance Statistics	Type of Indicator	2002	2003	2004	2005
Persons Receiving Grants – Avg.	Output	374,824	335,329	334,204	320,681
SOURCE: HRA Facts.					

Human Resources Administration
Public Assistance

Program: Safety Net Grants

The Safety Nets Grants program includes grant payments to single adults and couples without minor children through the Safety Net Assistance program.

Safety Net Grants <i>Dollars in thousands</i>	2005 Actual Expenses	2006 Current Modified Budget	2007 Preliminary Budget
Spending	\$400,994	\$470,746	\$500,296
PS	0	0	0
OTPS	400,994	470,746	500,296
Full-time Positions	0	0	n.a.
SOURCE: IBO. NOTE: *Full-time personnel: June 30 actual for 2002 through 2005; as of November 30 for 2006.			

Performance Results:

Safety Net Grants Performance Statistics	Type of Indicator	2002	2003	2004	2005
Persons Receiving Grants – Avg.	Output	82,087	87,739	97,755	105,447
SOURCE: HRA Facts.					

Human Resources Administration
Public Assistance

Program: Eligibility Verification and Administration

This program includes eligibility verification for public assistance clients and other functions related to administering the grants programs for families and individuals.

Eligibility Verification and Administration <i>Dollars in thousands</i>	2005 Actual Expenses	2006 Current Modified Budget	2007 Preliminary Budget
Spending	\$201,695	\$209,774	\$211,006
PS	152,662	158,672	160,098
OTPS	49,033	51,102	50,908
Full-time Positions	3,750	3,696	n.a.
SOURCE: IBO. NOTE: *Full-time personnel: June 30 actual for 2002 through 2005; as of November 30 for 2006.			

Performance Results: No reported performance statistics.

Human Resources Administration
Public Assistance

Program: Public Assistance Non-Grant

This program includes public assistance non-grant services.

Public Assistance Non-Grant <i>Dollars in thousands</i>	2005 Actual Expenses	2006 Current Modified Budget	2007 Preliminary Budget
Spending	\$25,735	\$40,871	\$35,726
PS	0	0	0
OTPS	25,735	40,871	35,726
Full-time Positions	0	0	n.a.
SOURCE: IBO NOTE: *Full-time personnel: June 30 actual for 2002 through 2005; as of November 30 for 2006.			

Performance Results: No reported performance statistics.

Human Resources Administration
Employment Support

PROGRAM AREA: EMPLOYMENT SUPPORT

The Employment Support program area includes work experience, job preparation, and job placement programs for public assistance applicants and recipients. It also includes substance abuse services for clients with substance abuse problems that act as a barrier to employment and independent living.

Employment Support <i>Dollars in thousands</i>	2005 Actual Expenses	2006 Current Modified Budget	2007 Preliminary Budget
Spending	\$367,230	\$325,468	\$310,040
Personal services	4,456	19,448	6,085
Other than personal services	362,774	306,020	303,955
Full-time Positions	52	51	n.a.
Programs			
Employment Programs	\$269,538	\$242,716	\$225,873
Substance Abuse Services	97,692	82,752	84,167
SOURCE: IBO.			
NOTE: *Full-time personnel: June 30 actual for 2002 through 2005; as of November 30 for 2006.			

Performance Results: See program sections.

Human Resources Administration
Employment Support

Program: Employment Programs

The Employment Support program includes work experience, job preparation, and job placement programs for public assistance applicants and recipients.

Employment Programs <i>Dollars in thousands</i>	2005 Actual Expenses	2006 Current Modified Budget	2007 Preliminary Budget
Spending	\$269,538	\$242,716	\$225,873
PS	929	19,448	4,671
OTPS	268,609	223,268	221,202
Full-time Positions	17	18	n.a.
SOURCE: IBO. NOTE: *Full-time personnel: June 30 actual for 2002 through 2005; as of November 30 for 2006.			

Performance Results: No reported performance statistics.

Human Resources Administration
Employment Support

Program: Substance Abuse Services

The Substance Abuse Services program includes rehabilitation services for clients with substance abuse problems that act as a barrier to employment and independent living.

Substance Abuse Services <i>Dollars in thousands</i>	2005 Actual Expenses	2006 Current Modified Budget	2007 Preliminary Budget
Spending	\$97,692	\$82,752	\$84,167
PS	3,527	0	1,414
OTPS	94,165	82,752	82,753
Full-time Positions	35	33	n.a.
SOURCE: IBO. NOTE: *Full-time personnel: June 30 actual for 2002 through 2005; as of November 30 for 2006.			

Performance Results: No reported performance statistics.

Human Resources Administration
Food Support

PROGRAM AREA: FOOD SUPPORT

The Employment Support program area includes the administration of the Food Stamps program, although not the costs of the Food Stamp grants, which are paid out by the federal government. It also includes the Emergency Food Assistance Program, which provides funds for food pantries and soup kitchens throughout the city.

Food Support <i>Dollars in thousands</i>	2005 Actual Expenses	2006 Current Modified Budget	2007 Preliminary Budget
Spending	\$65,215	\$64,698	\$54,280
Personal services	48,162	39,659	39,416
Other than personal services	17,053	25,039	14,864
Full-time Positions	1,337	1,364	n.a.
Programs			
Food Stamps	\$51,279	\$49,922	\$43,864
Emergency Food Assist Prog	13,936	14,776	10,416
SOURCE: IBO.			
NOTE: *Full-time personnel: June 30 actual for 2002 through 2005; as of November 30 for 2006.			

Performance Results: See program sections.

Human Resources Administration
Food Support

Program: Food Stamps

The Food Stamps program includes the administration of the federal Food Stamps program in New York City, although not the costs of the Food Stamp grants, which are paid out by the federal government and not part of the city budget.

Food Stamps <i>Dollars in thousands</i>	2005 Actual Expenses	2006 Current Modified Budget	2007 Preliminary Budget
Spending	\$51,279	\$49,922	\$43,864
PS	48,162	39,659	39,416
OTPS	3,117	10,263	4,448
Full-time Positions	1,337	1,364	n.a.
SOURCE: IBO. NOTE: *Full-time personnel: June 30 actual for 2002 through 2005; as of November 30 for 2006.			

Performance Results:

Food Stamps Performance Statistics	Type of Indicator	2002	2003	2004	2005
Persons Receiving Food Stamps – Average in Thousands	Output	813	843	945	1,063
SOURCE: NYS Department of Temporary and Disability Assistance.					

Human Resources Administration
Food Support

Program: Emergency Food Assistance Program

The Emergency Food Assistance Program provides funds for food pantries and soup kitchens throughout the city.

Emergency Food Assistance Program <i>Dollars in thousands</i>	2005 Actual Expenses	2006 Current Modified Budget	2007 Preliminary Budget
Spending	\$13,936	\$14,776	\$10,416
PS	0	0	0
OTPS	13,936	14,776	10,416
Full-time Positions	0	0	n.a.
SOURCE: IBO. NOTE: *Full-time personnel: June 30 actual for 2002 through 2005; as of November 30 for 2006.			

Performance Results: No reported performance statistics.

Human Resources Administration
Child Care

PROGRAM AREA: CHILD CARE

This program area includes funds for program administration and payments to contractors and individuals who provide child care services for families receiving public assistance to allow them to participate in work-related activities.

Child Care <i>Dollars in thousands</i>	2005 Actual Expenses	2006 Current Modified Budget	2007 Preliminary Budget
Spending	\$241,109	\$247,583	\$244,666
Personal services	51	2,961	44
Other than personal services	241,058	244,622	244,622
Full-time Positions	1	1	n.a.
SOURCE: IBO. NOTE: *Full-time personnel: June 30 actual for 2002 through 2005; as of November 30 for 2006.			

Performance Results:

Key Performance Measures	Type of Indicator	2002	2003	2004	2005
Children in Child Care – Average	Usage	35,563	43,537	44,093	48,224
SOURCE: Human Resource Administration.					

Human Resources Administration

Home Energy Assistance

PROGRAM AREA: HOME ENERGY ASSISTANCE

This program area determines eligibility for Home Energy Assistance Program (HEAP) funds and makes grant payments to eligible low-income individuals. It includes the federal HEAP funds, which are part of the city budget.

Home Energy Assistance <i>Dollars in thousands</i>	2005 Actual Expenses	2006 Current Modified Budget	2007 Preliminary Budget
Spending	\$31,924	\$33,008	\$23,330
Personal services	1,295	372	1,330
Other than personal services	30,629	32,636	22,000
Full-time Positions	33	32	n.a.
SOURCE: IBO.			
NOTE: *Full-time personnel: June 30 actual for 2002 through 2005; as of November 30 for 2006.			

Performance Results: No reported performance statistics.

Human Resources Administration
AIDS Services

PROGRAM AREA: AIDS SERVICES

This program area includes funds for program administration and payments to contractors who provide a variety of services including cash assistance, home care services and housing assistance to clients of the HIV/AIDS Services Administration.

AIDS Services <i>Dollars in thousands</i>	2005 Actual Expenses	2006 Current Modified Budget	2007 Preliminary Budget
Spending	\$185,890	\$180,462	\$190,138
Personal services	54,225	40,414	47,987
Other than personal services	131,665	140,048	142,151
Full-time Positions	1,291	1,285	n.a.
SOURCE: IBO. NOTE: *Full-time personnel: June 30 actual for 2002 through 2005; as of November 30 for 2006.			

Performance Results:

Key Performance Measures Performance Statistics	Type of Indicator	2002	2003	2004	2005
AIDS Services Cases - Average	Usage	29,271	30,760	31,064	31,161
SOURCE: Human Resource Administration.					

Human Resources Administration
Adult Protective Services

PROGRAM AREA: ADULT PROTECTIVE SERVICES

This program area provides services to individuals 18 years of age and older without regard to income who are mentally or physically impaired and who are unable to manage their own resources, carry out activities of daily living or protect themselves, without assistance from others. Services may include referrals for psychiatric or medical exams, assistance in obtaining government entitlements and other social services, cleaning services, and identification of alternate living arrangements.

Adult Protective Services <i>Dollars in thousands</i>	2005 Actual Expenses	2006 Current Modified Budget	2007 Preliminary Budget
Spending	\$28,424	\$28,587	\$27,686
Personal services	16,267	19,196	18,305
Other than personal services	12,157	9,391	9,381
Full-time Positions	380	383	n.a.
SOURCE: IBO. NOTE: *Full-time personnel: June 30 actual for 2002 through 2005; as of November 30 for 2006.			

Performance Results:

Key Performance Measures Performance Statistics	Type of Indicator	2002	2003	2004	2005
Adult Protective Services Cases – Average	Usage	3,656	4,418	5,118	5,421
SOURCE: Human Resource Administration Facts.					

Human Resources Administration

Domestic Violence

PROGRAM AREA: DOMESTIC VIOLENCE

This program area provides temporary housing, emergency shelter, and supportive services for victims of domestic violence and their children.

Domestic Violence <i>Dollars in thousands</i>	2005 Actual Expenses	2006 Current Modified Budget	2007 Preliminary Budget
Spending	\$72,063	\$77,735	\$78,866
Personal services	9,112	6,989	9,673
Other than personal services	62,951	70,746	69,193
Full-time Positions	178	183	n.a.
SOURCE: IBO.			
NOTE: *Full-time personnel: June 30 actual for 2002 through 2005; as of November 30 for 2006.			

Performance Results: No reported performance statistics.

Human Resources Administration
Child Support

PROGRAM AREA: CHILD SUPPORT

This program area helps custodial parents – parents living with and caring for their children – obtain the financial support that their children deserve from non-custodial parents. Services are provided to public assistance and non-public assistance parents regardless of income. Assistance is available to locate non-custodial parents, establish paternity and child support orders, and collect and enforce payments.

Child Support <i>Dollars in thousands</i>	2005 Actual Expenses	2006 Current Modified Budget	2007 Preliminary Budget
Spending	\$42,602	\$54,939	\$57,136
Personal services	28,056	29,760	33,207
Other than personal services	14,546	25,179	23,929
Full-time Positions	712	714	n.a.
SOURCE: IBO. NOTE: *Full-time personnel: June 30 actual for 2002 through 2005; as of November 30 for 2006.			

Performance Results:

Key Performance Measures <i>Performance Statistics</i>	Type of Indicator	2002	2003	2004	2005
Child Support Collected (\$ millions)	Usage	n.a.	n.a.	521	547
SOURCE: Mayor's Management Report.					

Human Resources Administration
Central Administration

PROGRAM AREA: CENTRAL ADMINISTRATION

This program area includes funding for all administrative functions, such as the agency's budget and contract offices, which cannot be clearly linked to specific program areas.

Central Administration <i>Dollars in thousands</i>	2005 Actual Expenses	2006 Current Modified Budget	2007 Preliminary Budget
Spending	\$423,310	\$356,473	\$380,473
Personal services	217,483	213,767	250,904
Other than personal services	205,827	142,706	129,569
Full-time Positions	4,389	4,500	n.a.
SOURCE: IBO. NOTE: *Full-time personnel: June 30 actual for 2002 through 2005; as of November 30 for 2006.			

Performance Results: No reported performance statistics.